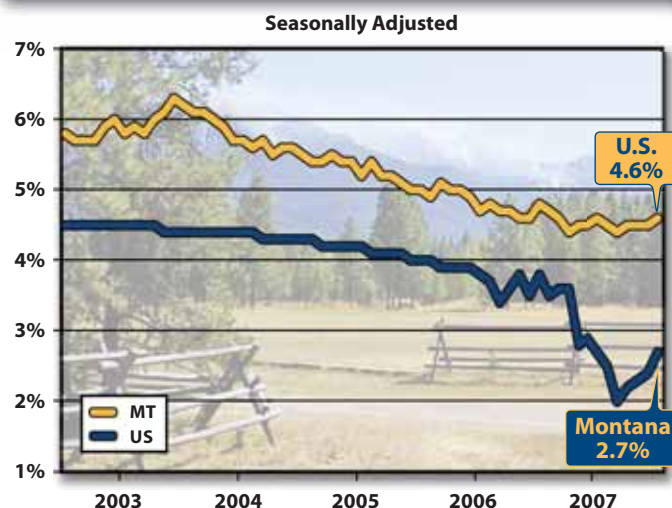


Montana Economy at a Glance

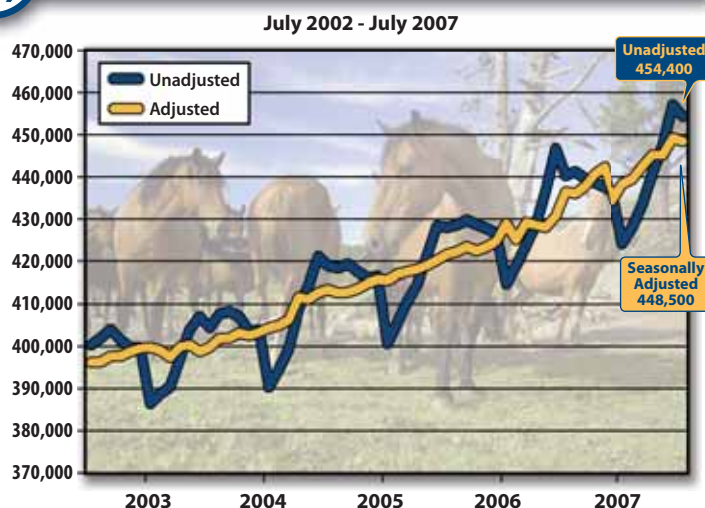
UNEMPLOYMENT RATE



NONFARM EMPLOYMENT

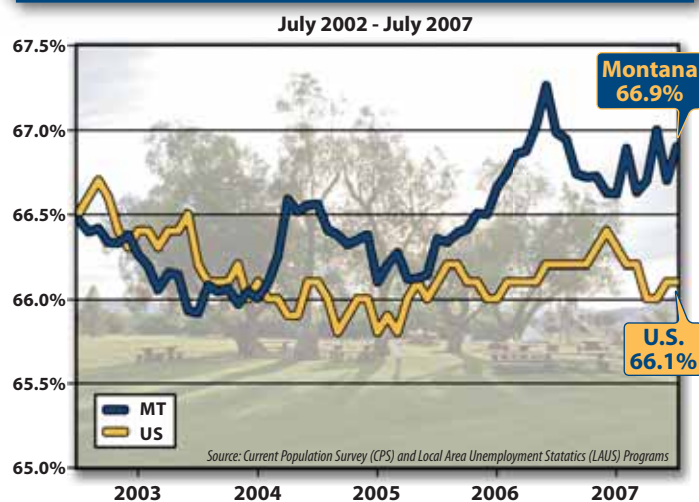


Montana's seasonally adjusted unemployment rate rose to 2.7% in July 2007 from 2.4% in June. The U.S. also rose slightly to 4.6% over the month.



Montana's seasonally adjusted nonagricultural payroll employment decreased by 800 jobs (-0.2%) from June to July 2007. Leisure & Hospitality experienced the largest loss at -400 (-0.7%). The industries showing gains were Education & Health Services (+200 jobs), and Natural Resources & Mining (+100 jobs), and Manufacturing (+100 jobs).

LABOR FORCE PARTICIPATION



Labor force participation rose slightly in Montana between June and July. The state continues to outpace the rest of the nation in the percentage of its population who are working or seeking work.

EMPLOYMENT BY INDUSTRY

Industry Employment (in thousands)	July ^(P) 2007	June 2007	Net Change	Percent Change
Total Non-Agricultural	448.5	449.3	-0.8	-0.2%
Natural Resources & Mining	9.0	8.9	0.1	1.1%
Construction	33.6	33.8	-0.2	-0.6%
Manufacturing	20.7	20.6	0.1	0.5%
Trade, Transportation, Utilities	91.2	91.4	-0.2	-0.2%
Information	7.4	7.6	-0.2	-2.6%
Financial Activities	22.1	22.2	-0.1	-0.5%
Professional & Business Services	40.1	40.3	-0.2	-0.5%
Education & Health Services	58.6	58.4	0.2	0.3%
Leisure & Hospitality	58.3	58.7	-0.4	-0.7%
Other Services	17.4	17.5	-0.1	-0.6%
Total Government	89.9	89.9	0.0	0.0%

(P) denotes preliminary figures



Is Montana Gaining Decent Jobs?

Assessing the quality of newly created jobs in Montana

By Jessica Counts

In Montana, it is not hard to see signs of growth. New restaurants, shopping centers and office buildings are appearing in many cities. There were over 1,100 new private businesses added between 2005 and 2006. With the increase in businesses comes an increase in jobs. Private sector employment grew by 3.6% from 2005 to 2006 and 12.9% from 2001. However, employment growth does not reflect the quality of the jobs created. A measure of job quality is the level of wages associated with that job. There is concern that, as Montana's economy grows, the jobs that are being added are not high quality jobs.

Methods

One indicator of the quality of new jobs in an economy is a comparison of wages from industries that are gaining share in the state's economy and those that have lost share during the same period. To draw this comparison, annual industry employment and wage data from 2005 and 2006 were used. The share each sector had of total employment for the state was compared between periods.¹ Sectors that increased their share of employment were considered expanding sectors. Those that decreased were contracting sectors. The results of this analysis can be seen in the table below.

Analysis Results:

Number of Expanding Industries	38
Number of Contracting Industries	53
Annual Wage Expanding	\$31,047
Annual Wage Contracting	\$25,163
Difference	\$5,883
Percent Difference	23.38%
Change in Jobs Expanding	7.91%
Change in Jobs Contracting	0.99%

Source: Montana Department of Labor and Industry, Research and Analysis Bureau

Expanding Sectors

There were fifteen fewer expanding sectors than contracting sectors. However, the overall average expanding sector had greater job share growth than the average contracting sector had job share decline. The expanding sectors not only increased their share of employment, they added more jobs than contracting sectors. The top ten expanding sectors and contracting sectors can be seen in the chart on the following page. The expanding sectors had a high concentration of white collar industries including Administrative and Support services, Professional and Technical Services, and Management of Companies. These sectors provide high-wage employment options to Montanans. This is significant because keeping new college graduates in Montana has become a concern in recent years. One reason why college graduates move out of state is the pursuit of higher paying jobs. Thus, it is encouraging to see high paying industries add jobs and offer potential employment to graduates.



¹Gould, Elise, Rob Gray and James Lin "Job Quality Calculation." Economic Policy Institute. 2006. www.epinet.org/webfeatures/econindicators/eg_jb_job_quality_calculations_200406.pdf

Contracting Sectors

Top contracting sectors include some of Montana's traditional blue collar industries including Repair and Maintenance and Wood Product Manufacturing. It is important to remember that a contracting sector is not necessarily a sector that has had a drop in employees but rather a drop in the share of employment for the entire state. For example, in this study Food Services and Drinking Places is classified as a contracting sector, but average employment increased by 327 jobs from 2005 to 2006. In fact, of the top ten contracting sectors, four sectors actually added employees. As a group, the contracting sectors encompass more than sixty percent of the employment in Montana and the contracting sectors are growing. However, growth of the contracting sectors at .99% is far outpaced by growth in the expanding sectors of 7.91%.

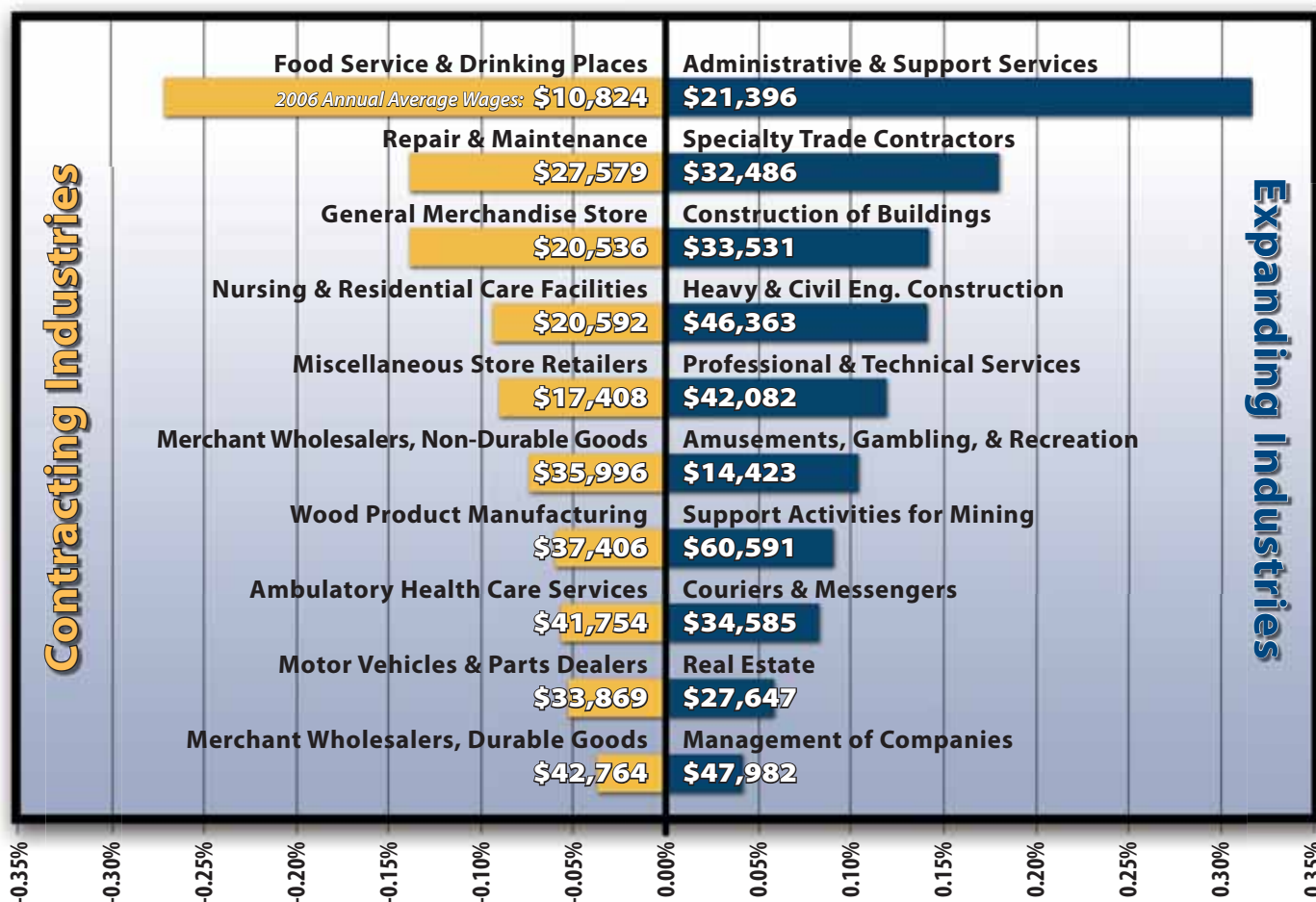
Wages

The difference in average annual wages between the expanding and contracting sectors was \$5,884 or almost 23%. Although there were fewer employees in the expanding sectors, they earned more per person than employees in contracting sectors. However, the contracting sectors had higher total wages of \$5,982,461,864 and a growth rate of 5.9%. Total wages for the expanding sectors grew by 13.66% to \$4,194,351,226. Thus, while the contracting sectors contributed more in total wages, the expanding sectors' average wages were higher and total wages grew more quickly.

Conclusion

Montana's economy is changing. This research shows that between 2005 & 2006, on average, the sectors that are gaining employment share in Montana's economy pay higher wages than the sectors that are losing employment share. The new jobs being created are more likely to be higher quality and should help to improve the economic well being of individuals prepared to take advantage of these employment opportunities.

Top Ten Expanding & Contracting Industries
by change in share of statewide employment: 2005 - 2006

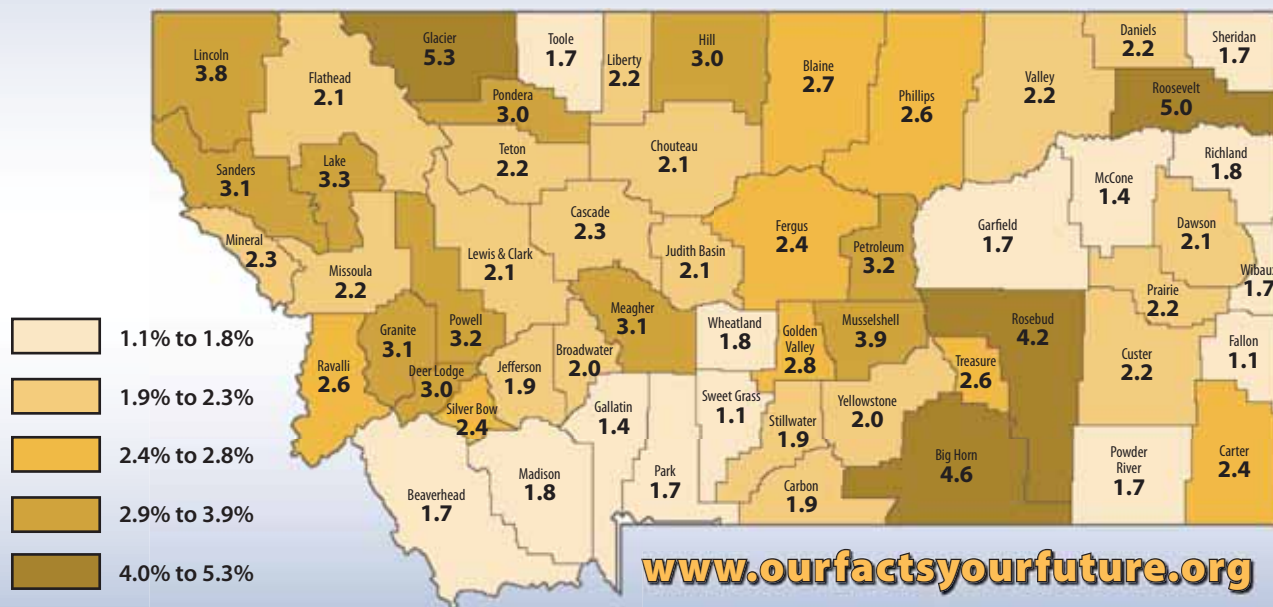


Source: Montana Department of Labor & Industry, Research & Analysis Bureau

COUNTY UNEMPLOYMENT RATES (NOT SEASONALLY ADJUSTED)

Montana Average Rate: 2.3%

Please note: The Federal Bureau of Labor Statistics has recently revised unemployment rates for individual counties from 2000 to the current. Statewide unemployment rates were not affected by these revisions. If you have any questions, please contact Tyler Turner at tturner@mt.gov or (406) 444-2992.



MAIL OR E-MAIL? If you would like us to e-mail you a link to this publication on our website each month, e-mail us at: mediacontacts4rad@mt.gov. Please include your mailing address as it appears on this publication and your e-mail address.

2,300 copies of this public document were published at an estimated cost of \$0.64 cents per copy, for a total cost of \$1,477.92, which includes \$1,014.92 for printing and \$463 for distribution.

RESEARCH & ANALYSIS BUREAU
WORKFORCE SERVICES DIVISION
MONTANA DEPARTMENT OF LABOR & INDUSTRY



Official Business
Penalty for Private Use \$300

Return in 5 days to:
Research & Analysis Bureau
Workforce Services Division
Montana Department of
Labor & Industry
P.O. Box 1728
Helena, MT 59624-1728